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COUNTS OF MERAL

September 25, 1997

Lawrence M. Noble, Esquire General Counsel Federal Election Commission 999 E Street, N.W., 6th Floor Washington, D.C. 20463

Dear Mr. Noble:

MUR 4407

During your appearance today before the Senate Governmental Affairs Committee (the "Committee"), Senator Cochran displayed a videotape of a television advertisement which was run by the Democratic National Committee (the "DNC") during the 1996 election. This letter is to correct an erroneous allegation that was made and repeated during the Committee's review and consideration of this particular ad.

The ad shown by Senator Cochran was *not* an issue ad, as was alleged. No soft money was used to pay for the production or broadcast of this ad. Instead, and to clarify for the record, this particular ad was paid for entirely out of hard money, <u>i.e.</u>, funds subject to the prohibitions and limitations of the Federal Election Campaign Act (the "Act"). The DNC, which paid for this ad, allocated the related costs to the coordinated party expenditure limit, as contained in 2 U.S.C. section 441a(d).

Should any question arise, the disclaimer on the ad clearly indicated that it was paid for by the DNC. Because this ad ran in August 1996, prior to the nomination of Bill Clinton to be the candidate of the Democratic Party, it was not necessary under the Act to indicate whether the candidate had or had not authorized the ad. 11 C.F.R. Section 110.ll(a)(2)(ii).

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I trust that this letter is useful in correcting the record and the misimpression that occurred during your appearance at today's hearing. If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Lyn Utrecht